

The BRIDGE

The Credit Union Way to Economic Betterment

**Official
Publication
of the
CREDIT UNION
NATIONAL
ASSOCIATION
Inc.**



AUGUST 1943

116 Cents on the Dollar

"SOME people worry considerably about the wisdom of organizing credit unions by employees of probably short-lived war plants and agencies. Much of this is unnecessary." This conclusion of many credit union leaders is strengthened by the liquidating experience of Home Owners Loan Corporation credit unions.

Originally credit unions were set up in some 25 of the Corporation's district and state offices. Following a brief period of increasing activity, however, the work of many of the district offices diminished and was finally transferred to state and regional offices some of which in their turn are being closed up. As a result, according to latest information received by THE BRIDGE, 13 of these credit unions have already liquidated.

The assets these 13 organizations distributed to their members totalled \$66,018, or 107.7 percent of their total share holdings of \$61,306. Only one of the credit unions distributed less than 100 cents on the dollar, and there the total loss amounted to \$12.57—an average per member of 37 cents.

Two of the credit unions—the Boston H. O. L. C. Employees FCU and the Florida H. O. L. C. Employees FCU—paid more than 116 cents on the dollar. Five others paid more than 110 cents. These were the Louisiana, the St. Louis, the Oklahoma, the Utah, and the Philadelphia groups.

The lives of these credit unions were short, ranging from a few months to a few years. The groups were small, since they represented relatively small offices. At the time of liquidation their memberships had diminished to an average of about 71, ranging from 14 to 294.

In view of their small size and short life the record of these credit unions is particularly notable. Ten of the thirteen, the ones for which we have information concerning the loan service rendered, granted 2,621 loans amounting to \$152,961: an average of 262 loans per credit union. The average amount of these loans was \$58.

The amount of help these organizations provided members who were able to take care of emergency and other needs by drawing upon their credit union savings, is of course only partially reflected by the \$61,306 share total that remained at the time of liquidation. Probably little of this total amount, whatever it might be, would have been accumulated by those members if it had not been for their credit unions.

Thus we can conclude that if it had

not been for these H. O. L. C. credit unions, their members would have spent many extra dollars in loan interest. Not only would they have had to pay more for many, if not all, of the loans they obtained from their credit unions; they would have had to obtain more loans.

One of the men who was present at the organization of several of these credit unions and who has followed them closely, has this to say about them:

"The service rendered by these short-lived Home Owners Loan Corporation groups, and the favorable liquidation dividends they were able to pay shareholders, challenges us in these times especially. Few credit union people deny that almost any group of workers need credit union service. But a few of us feared that the liquidation of relatively temporary credit unions among war workers would result in substantial losses to shareholders. The experience of the H. O. L. C. groups offers us reassurance.

"It is true that war workers spend long difficult hours at their jobs. They must no doubt overcome special problems, and show particular determination and enthusiasm, if they are to operate credit unions successfully. But it is also true that the need for credit unions among these groups may be particularly great. Their members need to develop strong thrift programs if they are to make best use of the extra money they are now earning—if they are to avoid feeding that money into the inflationary mill that is threatening our economy. And their members need a convenient source of low-rate credit if they are to take care of sudden illnesses and other emergency needs with a minimum curtailment of their war production. The credit union can, of course, be of real help on both these fronts.

"So it seems to me that while we cannot make any general rule as to the advisability or the inadvisability of organizing credit unions among employees of war agencies, we can say this: Where there is an intelligent desire on the part of such employees to organize credit unions they should be given every possible encouragement and help in doing so. If the individual groups face the difficulties involved squarely, and pledge themselves to make the necessary effort, their organizations will almost surely render an eminently worthwhile service to their members, and thus to the country."

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Coming NEXT Month:

"We Organize a PARISH Credit Union," by Dick Lagerman, president of St. Vincent's Credit Union. One of the most helpful how-it's-done stories we've seen.

"Five Steps in the Control of Delinquent Loans," by Don C. Candland, Principal Credit Union Examiner, Seventh District, Federal Deposit Insurance Corporation.

ADVERTISING RATES ON APPLICATION

All subscriptions received before the fifth of the month start automatically with the issue of the current month; all those received after the fifth of the month start with the following month. To insure prompt delivery of THE BRIDGE, when you change your residence, please send in a post card with your former address as well as your new address. When sending in a single subscription or a group of subscriptions, THE BRIDGE would appreciate it if you would mark all renewal subscriptions conspicuously with the word "Renewal."

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THE BRIDGE—August, 1943

I SHALL have to admit that such comments and suggestions which I have to offer here are not those of an expert in the investment field.

I am an amateur, as I believe most of us in the credit union field are, but in the past ten years our credit union has had considerable experience in our credit union investing surplus funds.

From this experience, I am convinced that our boards of directors, whose members are men and women of good, hard, common sense, are in a better position and better qualified to determine the investment policy of their credit union than are representatives of professional investment counsel services or investment houses. These outside sources are dependent for the most part on the volume of business they transact and think largely in terms of trading with the profit motive uppermost rather than long term security at lower yields, if this be necessary. This does not apply to Federal credit unions as much as to the State chartered credit unions, for the Federal credit unions are more closely regulated as to the securities they are permitted to buy. Inasmuch as the principle and interest on their investments must be fully guaranteed, they are protected almost entirely from taking risks to obtain higher yields.

I don't believe a credit union should seek a means to greater income by indulging in investment trading, but rather that it seek investments which will guarantee the principle as nearly as possible over the course of months or years, and at the same time provide a reasonable yield. I believe that it is better to sacrifice yield in favor of security. This may sound ultra-conservative, but with the position of trust we hold, it is the safest and soundest course in the long run.

In the past few years, I think it is safe to say that most of us have been confronted with the problem of a gradual accumulation of surplus funds in spite of our efforts to put this money to work on provident loans among our members. This is a natural result of present day circumstances and I don't believe it is cause for alarm, for I believe it is only a passing phase which will disappear with the return of peace. When restrictions on the purchase of durable goods are removed the demand for money to replace obsolete or worn out articles will be tremendous and the present restricted credit will be unleashed to provide for the readjustment from war production to that of the pursuits of peace.

It will be then that we shall want

How can credit unions best invest their surplus funds? This noteworthy answer to that pressing question was originally presented to the Annual Meeting of the Massachusetts CUNA Association in May, by Paul MacFarland, Treasurer of the Telephone Workers' Credit Union, Boston

Investments FOR CREDIT UNIONS

funds to meet these demands. For that reason, I believe that at least half our investments should be in fairly liquid form. By liquid I mean, readily marketable with little or no loss of principle. In my opinion, at this time, no investments appear to offer this possibility and this security to the extent that Government bonds do. It is true that the yield is considerably less than that from Utilities, Industrials, and Rails, and may not appear as attractive from an income point of view. The handling of these latter, however, requires not only skill and constant vigilance in financing, but more time than most of us can give to the study of the capital structures and earnings of the companies in which we might wish to invest, and to the study of daily market trends and the juggling of such accounts necessary to insure the principle of the investments.

There may be some who are holding surplus funds in cash either because of uncertainty of how and where to invest them, or a hope that they will be absorbed in personal loans in the near future. When I speak of surplus funds I mean funds over and above those which may be needed for working purposes for day to day transactions, as well as commitments of the near future such as periodic demands resulting from quarterly income tax requirements, seasonal needs, and so forth. What this fund should be is a matter of judgment based on experience in each credit union. I believe it is considered a reasonable rule of thumb to maintain five percent of the assets in cash. From personal experience in our credit union, this appears ample.

Funds retained in the form of cash above a safe working margin are really a dead horse, neither producing income for the credit union, nor helping anyone else when they could be used so effectively at this time to sup-

port the Government in its war financing. What could be a better investment at this time than one designed to protect that which we cherish most, our way of living, and the privilege of having such democratic institutions as credit unions and cooperatives of all sorts? Such investments provide a reasonable yield and greater security than any other, and may in the long run prove as satisfactory in the matter of income as any others which may provide a greater yield for the present at a greater risk to the principle in the future.

This may sound contrary to the old adage of not putting our eggs all in one basket, but these are unusual times and I think call for unusual procedure.

ID like to give a bit of our credit union investment experience during the past ten years, even though it may be divulging family secrets, for I feel that we should all profit from the experiences of each other, whether they be good or bad. Sometimes we learn more by our mistakes than we do in any other way. At least we learn not to repeat those mistakes.

When the depression set in, in real earnest back in the early thirties, we were faced with the accumulation of surplus funds at an alarming rate. This was brought about by the general jitters resulting from the bank closings. Some of our members were badly nipped. They, as well as new members, began withdrawing funds from other institutions and placing them with us, even to the extent of \$2000 in individual instances.

There was the problem of investing these funds. We diversified our investments, buying high grade bonds of Industrials, Utilities, and Rails as well as Governments, but on advice of paid counsel, we favored the
(Continued on page 188)

By VIRGIL CORY

HITLER drove the credit unions out of Germany because they belonged to the people, but they'll be back just as soon as this war is over. There's one American credit union that's planning to move in with the troops.

This is the TWA Club Credit Union, operated by employees of the Transcontinental & Western Air, Inc., one of the country's airlines operating from coast to coast and, since the war, operating secretly in other sectors, some of them close to the front lines.

The TWA credit union not only is providing a loan and savings service to more than 2,000 members within the United States, but is also offering members quick service no matter where they may be in the world.

Some of these employees, located thousands of miles away, are leaning heavily on the credit union to keep their financial affairs in order. They do this by authorizing the credit union to deduct a large portion of their salaries to be credited to their savings account (in many sectors they have little need for cash). As a result their families can quickly obtain needed funds from these savings, or make loans in cases of emergency.

To handle the transactions, flight crew employees serve as credit union representatives, carrying forms and signature authorizations directly to and from the members and the central headquarters of TWA in Kansas City.

That's why the TWA credit union may be one of the first to be operating on territory at present occupied by the enemy.

Behind this efficient and probably unique system of placing the facilities of the credit union in the hands of any member the world over lies a three-year story of simplifying and making most effective an organization serving members in 26 cities on TWA's airline route from New York to Los Angeles.

Still a young organization, it started in 1939 when employees approached Jack Frye, president, and E. Lee Talmán, then treasurer and now executive vice-president of the company, and laid the idea of a credit union before them, pointing out that such an organization would be materially assisted if the company agreed to authorize and handle salary deductions. It was felt that this was almost essential because members were so widely scattered and collection from the single central office in Kansas City would be difficult.

It also was felt from the start that it would not be desirable to have sev-



The TWA Club Credit Union Is Moving in on the Axis

Global Credit Union

eral small offices in various cities because employees change home stations to some extent and it would be difficult to keep completely separate records up-to-date.

The two airline executives were sold on the idea at once and in early 1940, the TWA credit union was launched with 12 directors representing as many different branches of the company. The directors this year, as a typical example, represent the executive, flight crew, air hostess, personnel, rates and schedules, dispatch, maintenance, operations, statistical, law, electrical maintenance and Intercontinental Division departments of the company.

As more typical examples of the men and women behind the organization, a flight captain, George Duvall, was one of the early key figures. He was based in Chicago, but made frequent trips to Kansas City on his runs and was able to sit in with credit union directors to perfect the association. He was also able to visit many other stations to help representatives.

Captain Duvall, who was president two years succeeding Charles Gallo, was only one of many who gave considerable time and effort to the organization. Charles Gallo, manager of rates, schedules and research; Charles Schwaneke of the Treasury department, Kansas City; J. Reay Jones, assistant personnel manager; William McCurdy and William Price of rates, schedules and research; Miss Frances Poarch, chief clerk of the general traffic department, all worked many hours with other colleagues to perfect the union's functions.

But all of these early workers believe in changing officials regularly in this employees' association. Today, Dave Smith, assistant to the vice-president of operations, is president of the group and many new faces are to be seen in active posts as directors. Each year it is planned to bring new people into various posts to keep it as democratic as possible and not overburden some few employees over a period of years.

ONE of the early problems of the credit union was the provision of up-to-the-minute bookkeeping for members. Passbooks, first adopted, proved to be too slow for the particular problems faced. The airline's treasury department then turned over to the credit union an Underwood-Elliott-Fisher mechanized accounting machine. This used a snapout form with two carbon copies in addition to the ledger sheet and served two purposes:

1. It eliminated passbooks, which were impractical because members could not call personally at the Kansas City central office to have them brought up to date and too much time elapsed by mail. Under the new plan members receive a semi-annual statement containing all transactions showing withdrawals, deposits, or loans in separate columns.

2. It eliminated the danger of having all records destroyed by fire or other causes because duplicate entries are made on proof sheets and are deposited in fire-proof vaults each night after business hours.

The machine, since improved and

speeded up with an electric device, simplified accounting problems greatly and enables the TWA organization to carry on all its work at the central office with only one person doing full-time auditing and accounting work.

Miss Vera Sample, the full-time office accountant, spends an average of 22 hours monthly posting salary deductions. She handles details on over 100 loans monthly, on an average, and in addition posts all deposits and withdrawals of the 2,000-odd members.

Recommendations for loans are pre-viewed by a credit committee composed of three employees in each of various departments, and a sub-committee looks over and approves loans sought by members employed by the Intercontinental Division so that practically the credit committee in Kansas City only takes formal action.

With the electrically operated machine posting system and with quick attention to loan applications by the credit committee, the credit union is able to have a check in the hands of a borrower within three days, regardless of his station.

ANOTHER problem, which became no problem at all, was the possible freezing of funds lent men and women in military service. Today, more than 800 TWA employees have entered military service. Many of them are members of the credit union. Nevertheless payments on only 11 loans have so far been frozen until the war is over. There are several other military loans, but these are being paid regularly by the servicemen involved, most of whom have been made officers because of their skill in

aviation, so valuable to the war effort.

Care was used in making loans to employees who were classified 1-A and obviously would be drafted. If the loans were worthy they were met, but 1-A's were asked to think twice before borrowing money to buy a car or other non-essentials prior to going into service. As a result, few loans were frozen.

Conversely, the TWA organization is planning to be of strong financial help to the soldiers who return to the company, by setting up a contingency reserve fund which may be used after the war is over.

One of the safeguards that has benefited the TWA association is the Cuna Mutual Insurance Society at Madison. During 1942, five deaths occurred among current borrowers with loan balances totaling approximately \$800, all of which was refunded by Cuna Mutual Insurance.

In addition to helping members with loans for sickness, death, and other usual emergency reasons, the airline's credit union has been valuable in other ways. For instance, the company's personnel has expanded rapidly in the past three years. This made a change of residence to different cities necessary for many employees. Because of rental difficulties, members were able to buy homes and move in immediately, forestalling what in many cases would have been indefinite waits for suitable living quarters on a rental basis.

War bonds have been purchased regularly by the credit union. The March issue of *THE BRIDGE* carried a photo of William Price and William McCurdy, TWA directors, purchas-



Lenore Platou, TWA industrial nurse at LaGuardia Field, makes a deposit in the airline's employees credit union, which is accepted by Margaret Clark, chief hostess of the Eastern region, as Clifford Wertsch looks on. TWA AIRLINE PHOTOS.

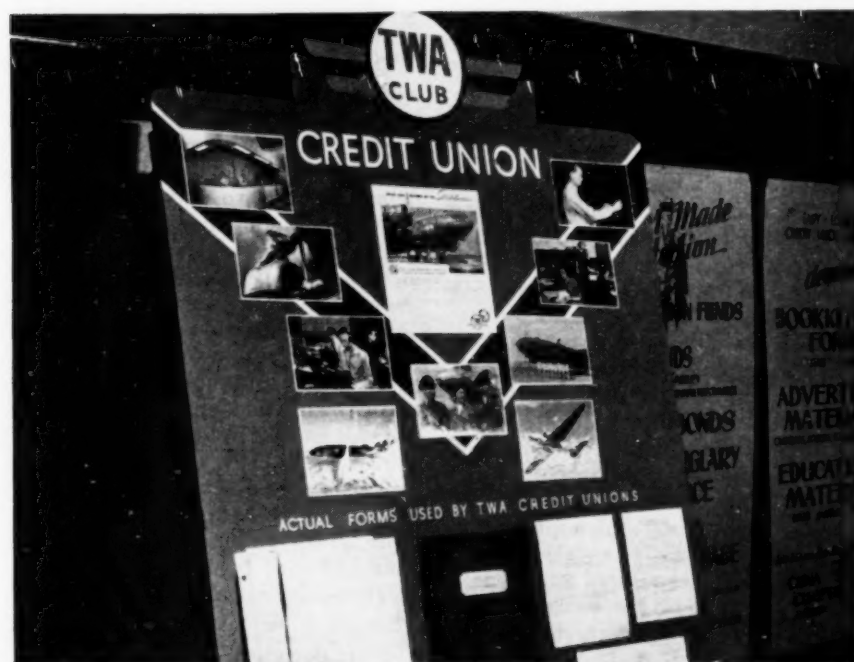
ing \$10,000 in war bonds through Radio Station KMBC, Kansas City.

SPEAKING of *THE BRIDGE*, copies of the magazine have been circulated throughout the world as a result of TWA's far-flung activity in credit union work. Copies have been relayed from one representative to another over distances that span the world. In that way the accredited representatives can keep abreast of the latest credit union activities.

In the past two years, the ratio of women employees in the airline has greatly increased and this also has been true in the credit union. Today, Miss Frances Poarch, chief clerk in the general traffic department at Kansas City, is chairman of the credit committee. In addition, Miss Margaret Clark, chief hostess of the Atlantic Division, New York, and Miss Meriam Furse, secretary to Jack Frye, TWA president, are both extremely active in their work as directors.

The TWA Credit Union started with a few members and little cash in 1940, and is proud of winning its battles against the various problems that have come up. Today it has 2,000 members who have shares and deposits amounting to \$152,375. Over 500 of these members are now receiving loan service. The credit union's ability to serve any of its members quickly and well has brought praise from the entire TWA organization.

No matter where the members may be, even if they are thousands of miles away within the sound of battle guns, the TWA Credit Union is helping them with financial problems. For the sake of morale among these hard-working, anonymous airline people, that makes the TWA Credit Union invaluable in these times.



Credit Unions Require An Intelligent



Personnel Policy

by Herbert E. Evans

"YOU are an employer now," can be said to an increasing number of credit union members and directors.

As credit unions grow, it usually becomes necessary to employ a paid staff to carry on much of the detailed work of the organization. Being an employer these days is not the easiest of responsibilities. How good an employer a credit union is will depend upon the working out of an intelligent personnel policy.

In some credit unions and other voluntary organizations, everyone seems to be the boss and gives orders to employees who are often dazed, bewildered and overworked. A policy should be agreed upon by the board of directors and written up stating clearly which one person is responsible for giving instructions and orders to employees. In many credit unions this person will be the treasurer, or other officer, who should carry out the directors' policy as to hours of work, pay and responsibilities. The board member responsible for personnel should work within a program set down by the board, and other board members should then be careful not to interfere with that person's responsibilities. Where this is not done, some employees may develop a tendency to go to a friend on the board for instructions and often go to the board member most likely to say "yes." The person appointed by the board responsible for personnel may make mistakes, but these mistakes should be discussed at board meetings and not before employees. Clear understanding will avoid many difficulties.

Hours of work for credit union employees should be planned with the program of the credit union in mind. It is not fair to impose on the loyalty of a staff member who works regular hours and then must spend many additional hours at evening meetings of committees. Good realistic planning will avoid this sort of difficulty.

Herbert E. Evans is Director of Personnel, Ohio Farm Bureau. He was formerly vice-president of Consumer Distribution Corporation, founded by Edward A. Filene, and was for many years an associate of Mr. Filene. He has had wide experience in cooperative and personnel work.

Credit unions should pay decent living wages and it is good personnel policy to review all wages and salaries every six months or at least once a year. Large credit unions with a number of employees will need to consider job classifications as group insurance, upgrading, recruiting, training, wage and hour regulations, war manpower orders and many other matters.

Above all, let us not forget that we don't just employ bookkeepers and clerks, but remember always that we employ people. "People," as one writer has said, "are real human beings. If you prick them they bleed. They have fathers, mothers, sisters, brothers, sweethearts, wives and children. They swing between fear and hope. They have strange dreams. They hunger for happiness. They all have names and faces. They are not some cross section of abstract human stuff. They are in the round and alive. Everything comes out of them. And because they are real human beings, they can help and be helped, they can love and be loved." (J. B. Priestly, "Out of the People.")

It is hardly necessary to stress this point with credit union folks, but this is something that is often forgotten, sometimes with tragic results.

SOMETIME ago a survey was made in the department store field as to what employees wanted in connection with their employment. When the bosses were questioned, they said employees wanted:

1. Fair pay and salary increases
2. Job security
3. Interesting work to do
4. Promotions on the basis of merit
5. Understanding and appreciation from superior
6. Physical working conditions
7. Credit for work well done
8. Counsel on personal problems

When employees were questioned, however, they listed their preference in the following order:

1. Credit for work well done
2. Interesting work to do
3. Fair pay and salary increases
4. Understanding and appreciation from superior
5. Counsel on personal problems
6. Promotions on the basis of merit
7. Physical working conditions
8. Job security

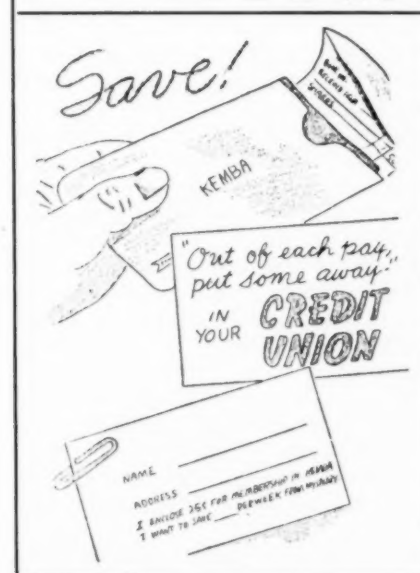
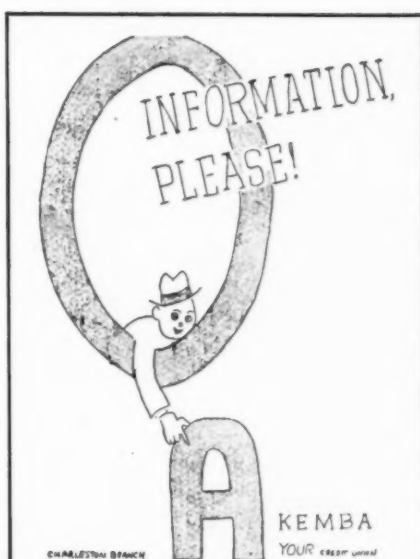
This and other studies are making us realize much more the value of the word "appreciation." A note of sympathy in time of trouble, friendly understanding, and respect for the personality of an employee, are all appreciated.

One of the constant complaints of people working in many types of organizations is that they are left in the dark and not let in on what is happening in the organization. While this presents morale problems for a large organization, it has a tendency to very quickly undermine the progress of a small organization. There are times when the board will want to meet alone to discuss some Personnel problem, but the decision of the board should be communicated to the employees immediately, as we all wonder what is happening when we are personally being discussed. There should be little secrecy in a credit union, and organizations with just one paid staff member should take that staff member into their confidence so he knows what is going on at all times.

In a large organization, decisions of the board should be communicated to all employees through a senior employee very quickly after a Board of Directors Meeting. If this is done, much "stewing" and imagining will be avoided. Board members should be friendly in their relations with employees, but should not use employees to advance their political and organizational ambitions.

There is often jealousy around the appointment of anyone to a paid job in a voluntary organization. For this reason, most well run organizations prefer not to employ relatives of board members, and are very careful on all matters of employment to secure people on a basis of ability. At times incompetent people are bitten with the bug of wanting to work for a credit union and will conduct a feverish and energetic campaign to get a job. Best employees come out of that group which is able and sincerely interested, believes in the credit union idea, and is imbued with the credit union principle as a way of life. Missionary zeal is commendable, but it is not necessarily an equivalent for ability. Ability combined with loyalty is the stuff from which leadership arises.

Simple tests have been devised by
(Continued on page 190)



SEND YOURS IN

Directors and committee members are invited to send samples of their work to the Idea Exchange Editor, The Bridge, Madison, Wisconsin. Send along a note, telling briefly how the material was distributed, the number, the cost, and the results obtained.

THE BRIDGE—August, 1943

IDEA EXCHANGE



WHAT IS KEMBA?

KEMBA stands for the Kroger's Employees Benefit Association . . . and a whole lot more! KEMBA is a safe "rock" on which to anchor your financial problems. You save . . . you borrow . . . you'll enjoy tomorrow more if you belong to KEMBA today!

JOIN! JOIN! JOIN! JOIN! JOIN!



WHY IS KEMBA?

KEMBA has a main objective, the same as all good Credit Unions. Its main purpose is to substantially improve the economic condition of people who work for a living. Join KEMBA and start yourself on the road to financial independence!

JOIN! JOIN! JOIN! JOIN! JOIN!



WHERE IS KEMBA?

KEMBA is in the minds of all Kroger employees with a thirst for thrift. Each branch has its own elected officers and activities. . . . connected with a centralized office in Cincinnati. KEMBA is your friend in good times and bad . . . ask about it . . . write the KEMBA secretary, Charleston Branch Office, for any additional information!

JOIN! JOIN! JOIN! JOIN! JOIN!

Circulars Build Credit Union

THESE are some of the circulars which the Kemba Credit Union of Charleston, W. Va. started this spring to issue regularly to its field of membership.

Will F. Caldwell, Chairman of the Educational Committee of the Kemba Credit Union says:

"We really are trying to build up this credit union, which has been quite dormant the past year.

The cost of each bulletin is very low, for example 600 copies on white mimeograph paper cost \$1.26 which includes 66 cents for the paper and 60 cents for the stencils.

There is no mailing cost as the bulletins are distributed with the regular store mail which reaches all branch personnel.

We feel these bulletins are needed due to the great number of new em-

ployees. They also serve as a 'refresher' for members in regards to their credit union privilege.

The results are most gratifying. We had a number of inquiries from prospective members and additional requests for loans which we would not have had without the stimulus of the bulletins. Five new members were accepted last week.

We plan to issue a single page circular about twice a month, stressing the particular assistance which Kemba can provide its members at specific times.

We're increasing our membership all the time; interest is also growing. I believe these periodical bulletins are the answer. We never let our personnel forget that we do have a credit union and that belonging to it has many advantages."

The Chapter and the Community

War bond "assist" by Buffalo Chapter wins community recognition

By Samuel W. Raych

*President, Buffalo Chapter
New York State League*

THAT local chapters are not as yet assuming their proper place in the community, and that there is a need for the recognition of this fact by both the community and the chapter, was indicated to us of the Buffalo Chapter, when the Chapter recently participated in Buffalo's civic project of selling \$40,000,000.00 in war bonds as part of the Nation-wide Second War Loan Drive. Buffalo's campaign was centered around the building of a cruiser to be named for the city. It was to cost approximately forty million dollars.

The Credit Union National Association has its proper sphere of activities and is international in its scope. Likewise the various State Leagues are statewide in their relationship and sphere of action. It is the chapter, however, which is the unit closest to the local community and to the community's range of activities. The chapter is part of the community and both chapter and the community must recognize and be aware of the part that the chapter can and should play in every civic or commercial activity, both in war and in peace times.

The recognition of a chapter by its community as a strongly united force, capable of assisting the community in the carrying out of civic projects and undertakings, cannot help but react favorably to our movement both locally and nationally. Frequent mention of a chapter's participation in local activities, in the press and on the radio will be an invaluable aid in publicising our movement to those who are still unaware of the part played by our Credit Unions in making this a better world to live in. It will also help to bring to our members the knowledge and understanding that we are more than a mere savings and loan society.

In planning the "Cruiser Buffalo" campaign, various civic organizations and groups were called together to further this city-wide project. And although a majority of our credit unions were already taking an active part in the bond sale as issuing agents, and had, more than any of the groups assembled, been promoting bond sales, yet, not a single credit union nor the chapter was invited. This inadvertence cannot be blamed on the spon-



Mildred Duly, New York State League Director, tabulating returns at the Buffalo Chapter Annual Meeting as the 150 Buffalo credit unions climaxed a two-week drive to sell enough War bonds to provide navigation equipment for the Cruiser Buffalo. Chapter President Samuel Raych is calling the numbers. Chapter Visitor Art Clauter, president of the Illinois Credit Union League, who spoke at the meeting, and Morris Cross, president of the Niagara-Hudson Credit Union, are kibitzing.

sors of the Campaign. Rather, we of the Buffalo Chapter must accept the guilt. We had not in the past participated in civic endeavors as a credit union unit. We had not made any effort to point out to the community that the Buffalo Chapter represents tens of thousands of its citizens; that through the Chapter upwards to 150 credit union organizations, representing every walk of life in the community, are knit together and may be utilized by the community as a great force in aiding its every undertaking, socially, politically, and economically.

IT was not until the "Cruiser Buffalo" campaign was well under way, that one of our credit unions brought to the attention of that committee the existence of our Chapter and the part we had played in the past in the sale of war bonds. The committee immediately recognized the power and resources of the credit union movement in the community and extended to the writer, as head of the Chapter a belated invitation to participate in its undertaking.

Had we been on the committee at its inception, a day would have been set aside as "Credit Union" Day, as was the case with the other organizations, such a day would have afforded excellent publicity for our movement and we would have been credited with all sales made city-wide on that day, in addition to our own actual bond sales and the final figure may have been double the million and a half credited to Credit Unions in this campaign.

Nevertheless, recognizing our community responsibility, and that a late start is better than none, we placed the Chapter behind this civic project. I was named Credit Union Chairman. Other committee members were Morris Gross of the Niagara Hudson Credit Union, Vice-Chairman, and State League Directors Mildred Duly and Joseph C. Meegan. A whirlwind ten-day campaign was inaugurated. Letters were sent to all credit unions in the area. These were followed by direct contact later. Each of the fifteen Council members of the Chapter was assigned ten credit unions to

contact personally before the end of campaign. We also tied in our Annual Meeting with the campaign and had the final reports tabulated at this meeting.

A million dollar quota had been assigned us, and since this amount equalled the approximate cost of all the navigating instruments of the proposed "Cruiser Buffalo," the credit unions were asked to provide the funds to make it possible for the Cruiser Buffalo to navigate. We exceeded our quota and expectations. Instead of a million dollars, we sold over one and one-half million dollars worth of bonds, with many of the reports from the various credit unions still incomplete at this writing.

Buffalo is very proud of its part in the Second War Loan Drive. It actually raised over fifty-six millions in bond sales, or 40 percent over its forty million dollar quota. We of the credit unions of the Buffalo Chapter have reason to feel proud of our contribution to this successful campaign. We exceeded our quota by well over fifty percent, notwithstanding a late start.

In thanking the Buffalo Chapter, for its contribution, General Chairman Daniel W. Streeter, of the "Cruiser Buffalo" Campaign Committee, aptly expressed his confidence that the credit unions "will achieve a position of leadership on an increasing scale in all movements affecting public welfare."

Credit unions are hiding their light under a bushel basket. In every civic undertaking, thousands and thousands of our members are taking an active part, perhaps as individuals, or through their places of employment or other organization. The chapter through proper planning and organization can center all these individual efforts as the grand total of the chapter's contribution to these varied communal activities and receive its due recognition and credit.

It will be my recommendation to my successor as president of the Chapter, that a permanent "Civic Activity" committee be appointed each year. Its duties will be to represent the Chapter on all public functioning committees, thus tying in the Chapter in all civic undertakings in which the vast membership of the Chapter may be of help. It will see to it that the individual effort of our members is utilized as an organized unit in all civic, social, and patriotic activities and endeavors. It will thus bring credit to our movement and the benefits that favorable publicity may reflect on our organization locally and nationally.

DANIEL W. STREETER, Chairman

JOSEPH E. KELLY, Honorary Chairman

ARNOLD B. WATSON, Treasurer

CRUISER BUFFALO CAMPAIGN FOR ERIE COUNTY

Headquarters: HOTEL STATLER - Buffalo, N. Y.

WAR SAVINGS STAFF
EDWARD H. LETCHWORTH,
Up State Chairman

VICTORY FUND COMMITTEE
LEWIS G. MARKMAN,
Chairman

Mr. S. W. Raych,
c/o Western Union Telegraph Company
Rand Building,
Buffalo, New York

Dear Mr. Raych:

Please accept my sincere thanks for all you did to develop the Cruiser Buffalo Campaign into a smashing success. The part played by the Credit Unions was largely responsible for what was accomplished and I feel confident that they will achieve a position of leadership on an increasing scale in all movements affecting the public welfare.

Sincerely,

Daniel W. Streeter

May 5th, 1943



United States Marines William F. Obst, Louisville, Ky., and Joseph E. Rader, Yonkers, N. Y., have landed at the war bond booth of the Waipahu Federal Credit Union, Waipahu, on the Hawaiian Island of Oahu, and have the situation very well in hand. Along with the bonds they received the miniature leis they are wearing from the hands of "hula" girl Mona Travis. Miss Tomoe Inokuchi and Mrs. Clarissa Lodge made the sales. The booth was built as a part of the credit union's Lei Day Drive lasting from April 28 to May 5, during which bonds totalling \$72,500, maturity value were sold. Credit Union Treasurer Louis P. Lino, of the Oahu Sugar Company, and his secretary, Mrs. Maxine Vorfeld, were responsible for the drive.

WHAT ABOUT IT?

by Tom Doig

Multiple Loans

Question (From Indiana): The question has been raised in our credit union as to the possibilities of making second or third loans to members. Would like to ask you a few questions on this subject.

(a) If a member has a loan with co-signers and wishes a second loan, should we ask that he get the same co-signers for the second loan as for the first one?

(b) If a member has a loan balance of \$100 or more with co-signers and wishes a second loan of \$100 or less, could we grant the second loan without co-signers?

(c) If a member has a loan the terms of which were limited to 12 months by Regulation W, and wished a second loan which would be entirely exempt from Regulation W, could we make the second loan for any length of time up to 24 months as permitted by Federal Credit Union Act?

(d) Our credit union has a loan limitation of \$500. If a member wished a second loan and the combined amounts of the two loans exceeded \$500, could we grant the second loan?

(e) Or would we have to reduce the amount of the second loan to keep within the \$500 limit?

Answer: (a) If one of your members has a loan which is supported by a co-signer and then wishes to obtain a second loan, it seems to me it would be just as well to obtain the same co-signer on the second loan. On the other hand, if this co-signer doesn't care to sign the second note, it would be entirely proper to take the signature of some other party.

(b) If a member has a loan balance of \$100 or more with co-signers and wishes a second loan of \$100 or less, it would be proper to grant the second loan without co-signers if you so desire.

(c) If a member has a loan the terms of which are limited to twelve months by Regulation W and wishes to obtain a second loan which would be exempt from Regulation W, it would be entirely proper to make this second loan for any length of time up to 24 months as permitted by the Federal Credit Union Act.

(d) If your credit union has fixed the maximum loan which may be granted to any one member at \$500

and a member wished to have two loans which exceed the \$500 limitation, it would be improper to grant these two loans unless the board wished to increase the maximum amount which might be loaned to one person. The fact that there are two notes does not alter the situation. It was apparently the thought of your Board that the total amount outstanding to one member should not exceed \$500.

(e) In accordance with the above, it would be necessary to reduce the amount of the second loan to keep within the \$500 limitation. It seems to me that if your members are in need of credit in excess of \$500, then your board of directors should increase the amount which may be loaned to one person to \$1,000. There can be no harm in this inasmuch as the credit committee must act on each application anyway. Certainly in times like these we should not tie ourselves up with rules which prohibit taking care of the credit needs of our members.

You are invited to submit your questions on any credit union problems to this department. You are also welcome to contribute your own ideas on the answers printed here. What's on your mind?

Joint Accounts

Question (From Wisconsin): I am attaching a list of questions that I wish you would answer so that I may have them in readiness for the next meeting of our group. On questions such as these, where legal technicalities are involved, answers must be correct before they are given out to our individual credit union members of our chapter and I am therefore writing you.

In our credit union the joint account wasn't considered until probate action was thought of so that we have added the Mrs.' name to the accounts and signed the 202A joint account forms for this purpose only, but in some credit unions the groups are under the impression that a joint account with just one ledger sheet and one entrance fee covers both members. However, this is contained in

the questions I ask.

(a) What is a joint account?

(b) In bookkeeping must joint accounts be actually one account?

(c) The question was brought up whether a Mrs. in a joint account could borrow and save in such a joint account and whether the insurance on both loans and savings would apply to both Mr. and Mrs. in this joint account.

(d) Is the joint account form now out (202A) legally a way to avoid this account money from going through probate?

(e) Where a joint account is made up of father and a minor child, does this avoid probate if a joint account form 202A has been signed by the father?

Answer: (a) A joint account in a credit union is an account held jointly in the name of that member and some other person. This second person, under Wisconsin law, may or may not be a member of the credit union. Both parties may deposit money in this account. If both are members of the credit union either one may borrow and pledge the account as collateral.

For the benefit of credit unions operating under the Federal Credit Union Law, I must add that the Federal Section has ruled that a joint account in a Federal Credit Union may only be opened by two members of the credit union.

(b) Yes, a joint account is one account. Only one entrance fee need be paid. Except that in a Federal Credit Union two entrance fees must be paid as both participants must be members of the credit union. The joint account still remains one account.

(c) If a joint account is held between husband and wife, under Wisconsin law, without the wife being a member of the credit union, then, of course, the wife could not borrow, but she may still save in the joint account since she is a participant. In such a case the husband's name would appear first on the signature card and the share insurance would apply only on the husband.

However if both husband and wife are members of the credit union then the wife would also be entitled to borrow provided she had an income

separate from that of her husband. In case both are members of the credit union then that person whose name appears first on the signature card is the one covered by share insurance. In case both are members of the credit union either one that borrows is covered by the loan protection insurance.

(d) Yes. Incidentally, I recently published in the What About It column of BRIDGE a copy of the proper joint account card to use.

(c) In case of a joint account the signature card must bear the signatures of both parties to the joint account. I would strongly advise against a joint account being issued between an adult and a minor. This should be a "Trustee" account. I think credit unions would be wise to follow the Federal Credit Union Section ruling and issue joint accounts only between members, when that is possible. In other words, if possible let the wife be also a member of the credit union.

Interest and Dividend Rates

Question (From California): There has been considerable agitation in our credit union recently for the reduction of the interest rate from 1% per month on unpaid balances to 5/6 or 3/4 of 1% per month, with a consequent reduction in the dividend rate. For practical purposes in computing the interest on loans the 1% is ideal, as is the 6% on dividends for computing dividends at the end of the year. I am under the impression that you, representing the Credit Union National Association, have advocated in the past that the interest rate should not be lowered from the 1% per month and that the dividend rate never go above the 6%. If 1% is charged on loans, we can maintain the 6% dividend, but if the interest rate is lowered, it is probable that the dividend rate would have to be lowered also. What I would like to know is what reasons you have for maintaining the interest and dividend rates at the higher amount. I would like to have this information to present to our board of directors as some of them are in favor of lowering the rates from their present standards.

Answer: It is my opinion that credit unions should maintain an interest rate or charge of one per cent per month on unpaid balances of loans made to members. On the other hand, I believe that dividend rates should be reduced to three per cent per annum. I advocate such a policy—

Because a majority of our credit unions are less than ten years old and have not yet had an opportunity to ascertain the true cost of operation of

a credit union over a long period;

Because most of the credit unions are operating on a subsidy of some kind from either the employer or some other sponsoring organization;

Because the credit union is an educational institution and it is very poor business to educate our members to pay dividends from a subsidy;

Because education of members is one of the most important features of the credit union, and more funds should be made available by the individual credit union for educational purposes;

Because it is my belief the credit union should fully reimburse the employer or sponsoring agency for all time or services used by the credit union for which it does not now pay before it reduces interest rates or pays high dividends;



Because I believe the credit union member derives greater benefit if the credit union purchases loan protection insurance than he or she does if the credit union reduces the interest rate slightly;

Because I believe the credit union member derives greater benefit if the credit union purchases share insurance for its saving members than he or she does if the credit union either pays high dividends or reduces the interest rate;

Because the one per cent per month rate (if loan protection insurance is purchased by the credit union without extra cost to the borrower) is still the lowest rate I have found any lending agency charging on strictly personal loans;

Because the one per cent per month rate naturally produces greater income than any lesser rate and thus gives the credit union a larger margin of profit, thus enabling the credit union to be more liberal in its lending policy;



Because I believe we should have larger undivided profits accounts and large reserve funds;

Because considerable sums of money will in the immediate future be tied up in loans to men in the military service, on which loans a moratorium has been declared, and on which money the credit unions may not even be able to collect interest;

Because it is my opinion that credit unions should insofar as possible waive the payment of interest on loans to men in the military service of the United States;

Because those of us who were operating credit unions during the last depression realize that sometimes extraordinary demands are made on the credit union, which fact does not seem to occur to some of the folks who were not acquainted with credit unions in 1931 and 1932;

Because most credit unions do not at present properly reimburse the treasurer or his assistants for services rendered;

Because most credit unions do not at present pay taxes to either the State or Federal government, but as the movement grows it is almost inevitable that they will be required to pay a reasonable tax, especially if high dividends are continued, and six per cent is a high dividend;

Because some supervising authorities (actuated by who-knows-what motive) are using even reasonable delinquent lists as an excuse to forbid credit unions to pay any dividend at all;

Because the struggle to overcome usury in the United States has just begun and the position of the credit unions will become ever more subject to attack as that struggle progresses, which means that we will need all our resources if we are to survive;

Because the credit unions are the only financial institutions I know of which are operated by the people purely from a service motive, and if we are to survive in an antagonistic world we must have resources.



A. E. MacDonald

STRANGERS visiting Eastern Nova Scotia for the first time are invariably impressed by two things: the beauty of the landscape and the high percentage of "Macs" among the population. The latter can even cause considerable confusion. But there are instances, not too few, wherein some of these "Macs," through force of personality and power of leadership, have made themselves so well known that their first names, or initials, become household words with the masses of the people. Such has been the case with Professor A. B. MacDonald, Managing-Director of the Nova Scotia Credit Union League, who has all his life worked overtime in the interest of the common man.

Managing-Director MacDonald—"A. B." to his friends, and they are legion—was born in the rural community of Glassburn, Antigonish Co., N. S. It is a community similar to hundreds in the Province, where nature can be hard but also gentle, where men wrestle with the soil and gamble with the elements, where strong character and penetrating vision are nurtured. Hence, in this most fundamental of all schools, "A. B." first developed the love of his land and his native people which in later years spurred and inspired him to become one of their greatest leaders. This feeling for the earth and those of mankind who must wrest their living from it brought him back again and again, even after he had gained academic degrees and honors, to labor where he first saw the crisp glint of the winter moon and felt the warm caress of the summer night.

"A. B." received his first education in the small community school and thence at St. Francis Xavier University, Antigonish, where he was awarded the degree of Bachelor of Arts in 1915. The following year he did post-graduate work in Agriculture

at the Agriculture College, Truro, N. S. For two years thereafter he was provincial agricultural representative for Guysboro County.

In 1920 further specialization in his chosen field earned him the degree Bachelor of Scientific Agriculture from the Agricultural College at Guelph, Ontario. 1920-21 saw "A. B." back in Nova Scotia again, this time as representative of the Federal Department of Agriculture. He returned to Ontario in the latter part of '21

"A. B."

as Federal representative in that Province.

His already extensive experience and interest in education brought him in 1925 to the position of Inspector of Schools for the Antigonish-Guysboro area. In this new field, his earnest efforts for the development of youth and the building up of the local small communities earned for him the reputation of being one of the most progressive Inspectors in the Province. However, his talents were destined for wider fields.

In 1930, "A. B." joined the St. Francis Xavier Staff as Associate Director of Extension. Here his superb executive ability and forceful personality made themselves felt in all phases of the Antigonish Movement, which even then was beginning to be recognized as a social program of importance. When the men of St. F. X. began to carry to the people of Nova Scotia the ideas of credit unionism, along with those of consumer and producer co-operatives, "A. B." entered upon this work with special vigor.

After the preliminary study club work had prepared the ground, he organized the first credit union in Nova Scotia at Reserve Mines, January 10, 1933. From then on, when he has not been at his desk attending to the executive work of the credit union movement, he has travelled up and down Nova Scotia, day and night, week in and week out, organizing credit unions with an energy that his fellow-workers consider phenomenal. Of the 210 credit unions now doing a million-dollar business annually in Nova Scotia 150 have been organized by "A. B." personally.

In 1934, when the credit unions of the Province decided to band themselves into a League, "A. B." was made Managing-Director—a position which he has retained ever since. In this capacity he has proven himself to be a credit union leader of outstanding

qualities. He was instrumental in the affiliation of the N.S. League with CUNA and he is an ardent supporter of the work and ideals of the National Association. His labors in this direction were given recognition at the 1942 Annual Meeting of CUNA, when he was elected a director of CUNA Supply Co-operative, and in 1943 when he was elected to the CUNA Executive Committee, the first Canadian so honored. He constantly urges upon leaders and officers of Nova Scotia credit unions that if they are to be a vital force in the society of the future they must help build and play their parts in the central organizations.

Educator, organizer, executive, "A. B." is also a thorough-going democrat. His interest and attention range from the largest organization in the credit union movement down to the smallest credit union and the most obscure study club. Loaded down as he is with the myriad details for the extension program he nonetheless finds time to devote to the many outside organizations that so frequently call for his services. A lecturer of rare ability, his speeches are of a cogency that is difficult to match. He has that faculty, all too rare in speakers, of hammering home his points with simplicity and conviction in a style of presentation that is always pleasing to his listeners.

"We Are Arranging . . ."

"We are arranging for certain books and booklets on credit unions and co-operatives to be sent to you at our expense," writes Art Danforth, treasurer of the Rome (N. Y.) Federal Credit Union, to the librarian of the local library, following the showing of two credit union films at the junior high school. He has suggested that a shelf section on credit unions and co-operatives be set up in the library.

You Are Welcome

You are welcome to use material presented in *THE BRIDGE*, as is or adapted to meet your particular needs, in preparing your own credit union educational releases.

We only ask that you send us copies of any material you issue, so that we may know what credit union people are finding most effective, and so that we may pass on to others the good ideas you develop.

Suitable credit should, of course, be given in the case of signed articles and illustrations. *THE BRIDGE* need not, however, be mentioned as the source of the material, although where it seems suitable to do so, this will be appreciated.

At New York Annual Meeting



Upper left—Rolf Nugent (author of the article "Why not Candor in Small Bank Loans?" in the May Bridge) on the air, "Looking into the Future with Credit Unions."



Upper right—Participants in panel discussion on "Credit Union Problems," Art Danforth, Leo Davidson, Evelyn Knauft, Thomas Mahoney, Sidney Stahl. (Nate Rovner was not available when the shot was taken).

Lower right—Jamestown Chapter wins second leg on trophy in "Credit Union Chapter Publicity Contest." Fred C. Ewing makes presentation to Ollie Palm, a member of Cuna Legion.



New York Tops Bond Goal

THE twenty-third annual meeting of the New York State Credit Union League culminated in the sale and pledges of War Bonds to the tune of over \$4,000,000. Jack Bucksbaum, chairman of the 60 day Bomber Campaign which started April 28th, could have used at least four more hands to pick up the checks, pledges and sales records. The League previously arranged with the Treasury Department to have a heavy bomber inscribed for each \$350,000 sold, exclusive of regular payroll deductions. A bomber will be named after each of the 12 chapters in the state. For example—"Spirit of—Buffalo Chapter—Credit Unions".

The meeting featured panel discussions on the following topics "Operating Your Credit Union During War Time" and "Current Problems of Credit Unions" which included: (a) legal, (b) Investment of Surplus Funds, (c) Educational Programs, (d) Loans—How to make and collect them (e) Duties and Responsibilities of the Supervisory Committee.

Registration, which began at 9:00 P.M. Friday night, June 4th at the Hotel Utica, found 350 delegates and guests tagged by the Reception Committee of the local chapter, headed by Fran Cooley. They were ushered into the ballroom for the "Get-together Party" which lasted until 1:30 A.M. On Saturday morning Thomas J. Kelleher, chairman of the Convention Committee, welcomed the delegates and introduced the guests. President John Ammering, recently elected a Cuna vice-president, then presided over the streamlined sessions.

Among the guests were Claude R. Orchard, special assistant to the board of directors, F. D. I. C.; Dora Maxwell, Cuna organization director; Herbert E. Kirmmse, assistant to the deputy superintendent of banks, and Leo Davidson, F. D. I. C. examiner.

Another highlight of the meeting was the address by Rolf Nugent at the Saturday night banquet which was broadcast over station WIBX. Rolf, former secretary and former managing director of the League, came up from Washington and looked into the

future with the credit unions.

He said in part "What we do today will mould the post-war design—The nation is facing three current developments with regard to the future: (1) expansion of production, (2) expansion of savings and (3) the creation of a backlog of demand for articles that have or will disappear from the market." He added, "Despite the thinning out of workers in many forms of business or industry, production last year doubled the sum total of articles produced since 1939 but the growth would continue at a slower rate as the war progresses." He pointed out that national savings had increased in 1942 by 27 billion dollars and predicted an increase of 40 billion by the end of 1943. He also predicted that the rate of increase in savings will be smaller and forecast a remarkable production capacity by the end of 1946.

Sunday morning found the delegates again attending group discussions. The consensus of opinion was that it was one of the best conventions ever held in the state. "We the people—spoke."

Suggested Reading

Out of Debt—Out of Danger, by Jerry Voorhis. Devin-Adair Co., New York. 238 pages, \$3.00.

In this book, Congressman Jerry Voorhis ably discusses not only the problem of the postwar public debt but also money and banking, depression economics, and war finance. Included is a considerable historical review of public borrowing, especially of the attitudes of prominent public figures concerning the desirability of incurring, maintaining, and monetizing the public debt. Also included is an account of Hitler's financial methods in dealing with unemployment. Except for the appreciation that no nation needs gold to back its money, the financial pattern of Nazi Germany is found to have been quite traditional.

The author observes that the interest on the public debt at the close of the war may well exceed seven billion dollars whereas the most the federal tax system has ever produced in time of peace (barring 1941) was \$5,727,000,000 in 1920. He appreciates that the interest is paid to as well as by our people but observes that the distribution of the interest paid will be largely to the wealthy classes and the banks. The tax system can easily be strained beyond its capacity. "We go in for deficit financing to overcome the depression of the early thirties; then we really go in for it to finance the war; and finally we go in head over heels for it to meet the crisis that follows the war period. We have to do better than that."

Concerning money and banking, the author holds that the government should supply the country with the credit it needs directly through the issuance of noninterest-bearing notes rather than through a private banking system. To permit any private citizen or corporation to create money violates "every principle of decency, morality and economics." The volume of credit is supposed, under the Federal Reserve banking system, to respond automatically to the needs of trade. Actually it responds perversely, supplying too much credit when it is not needed and too little when the need is greatest. In addition to the direct supply of credit, the author favors a one hundred percent reserve system for demand deposits and a federally-owned central banking system (instead of our present banker-owned federal reserve banks and

banker-financed Federal Reserve Board). He does not favor nationalization of commercial banks.

As to depression economics, the author finds the principal trouble in the failure of an expanding economy to distribute enough purchasing power to consumers. "An expanding economy can't go on expanding but will collapse instead unless new money is put into circulation to match the increasing output of goods." We must "put active buying power directly into the hands of our old people, widowed mothers and dependent children, the disabled, and others who cannot or should not be employed." A sound tax system can check inflation any time it threatens if that system is properly employed.

Concerning war finance, it is observed that a larger part should come from taxes. However, as previously observed, there are limits to the elasticity of the tax system. To pay as we go completely would be too "tough" on those whose income has remained constant or has decreased during the war; and it would make it impossible, in some cases, for debtors to meet their obligations. Real borrowing (from individuals) through obligations that bear interest has a legitimate place, and compulsory saving should be used to improve the distribution of bond holdings. False borrowing (from banks) creates an unnecessary interest load and leads to current inflation to be followed by deflation when the volume of money and credit based on this debt is contracted. In 1942, forty-five percent of public borrowing was from banks.

At several points the author pays his respects to the cooperative movement, in which he is a firm believer.

The reviewer expects that most readers will find themselves in agreement with the author at many points in his analysis and probably in disagreement at others. The danger in the mounting public debt is perhaps exaggerated, but it is useful to shake the equanimity of many critics on this matter. The author is right in saying that we should rely much less on bank credit to finance the war. He is partly right in attributing depressions to inadequate purchasing power, although this is probably an over-simplification. As to the direct issue of non-interest-bearing notes, the author makes too little of the problem of discipline involved in this procedure.

The banking system probably has plenty of errors in its record of rationing credit. But it is not subject to raids by Townsendites and veterans.

Harold M. Groves,
Professor of Economics, University of Wisconsin.

Three Notable Pamphlets

Three pamphlets which merit the attention of credit union people generally have recently been issued by the Ontario Minister of Agriculture. They are titled:

"Outline for Credit Union Study Groups in the Province of Ontario"

"Manual for Credit Union Officers in the Province of Ontario"

"Credit Unions and the Co-operative Movement"

The pamphlets may be obtained from Cuna Educational Services, Madison, Wisconsin, at a cost of five cents each.

The first thing that strikes the reader as he turns to each of these publications is the excellence of their typography and general make-up. All too frequently government publications are exasperatingly bleak things. The subject matter may be the work of the best brains available and may have cost a small fortune to assemble, and may be of vital concern to the public. Nevertheless, it is buried in a mass of small, closely-packed, unattractive type which requires the utmost in studiousness to decipher. This serves little toward giving the average man the information for which he has paid and for which he has need.

These pamphlets then might serve as something of a model for such publications. The type is large and good looking. It is surrounded with plenty of eye-relieving white space. And it is interspersed with well-considered headings and sub-headings. Even illustrations, which are lacking, could hardly have made these pamphlets more readable.

The text material, which is also notably well-considered, has in each case been prepared for the Minister by the Educational Committee of the Ontario Credit Union League.

After discussing briefly credit unions and study group methods, the first pamphlet outlines programs for seven group meetings as follows:

What is a Credit Union?

1. General Introduction

2. Operation

3. History and accomplishments

Credit Union Operation.

4. Local Organization

5. Cooperation Between Credit Unions

Organizing a Credit Union.

6. Your Local Situation

7. Carrying On.

Generous reading suggestions are given. The final pages are devoted to suggestions for discussion groups and a list of tips toward making such groups most effective.

The second pamphlet reviews carefully the responsibilities and duties of the various offices and committees, making specific references to by-laws and the Ontario Credit Union Act. The last three sections are titled "Annual Meeting Requirements," "A Credit Union Shall," and "A Credit Union May."

The third pamphlet contains four articles, all of which are noteworthy. The titles will indicate their general scope.

"The History of Credit Unions in Canada," by A. H. Turner, Agricultural Economist, Dominion Department of Agriculture, Ottawa, Ontario.

"The History of the Co-operative Movement in Canada," by George Keen, General Secretary, Co-operative Union of Canada, Brantford, Ontario.

"Toward a Co-operative Economy," by A. B. MacDonald, St. Francis Xavier University, Antigonish, N. S.

"The Credit Union National Association and its Relation to the Canadian Movement," by J. Orrin Shipe, Educational Director, Cuna.

This series is a significant contribution to the advancement of the credit union movement, not only in Ontario.

Christie Leaves Cuna

Ralph C. Christie has accepted a position with one of the country's leading advertising specialty firms.

Prior to joining Cuna's field staff in 1936, Christie was treasurer of the Traders Gate City National Bank Employees Credit Union. He also served as president of the Kansas City, Missouri, Chapter. Since 1938 he has been office manager of Cuna.

Coming Events

August 14, 15

Quarterly meeting, Board of Directors, Cuna Mutual Insurance Society, Sherman Hotel, Chicago, Illinois.

September 11, 12

Fourth Annual Columbus Chapter Camp, Camp Wildwood sponsored by Columbus Chapter, Ohio Credit Union League.

September 25, 26

Quarterly meeting, Executive Committee, Credit Union National Association, Inc., Sherman Hotel, Chicago, Illinois.

You Don't Have to *Die* to Collect from CUNA Mutual!

Total and permanent disability of the borrowing member is likewise a basis for claim payment under the comprehensive AA plan of loan protection.

1,686 disabled borrowers, most of them stricken in the prime of life, have had their credit union loan notes marked "Paid in Full" in the total amount of \$327,573.61 through the prompt payment of disability claims by CUNA Mutual.

The "DOUBLE-A" plan means DOUBLE PROTECTION against the Death or Disability of the borrowing member.

In these days of all-out production and the resultant increase in hazards, it is all the more important that your members be afforded this comprehensive plan of protection.

Premium? 75c per month per \$1,000 of outstanding loans.

Write today for free leaflet on
Loan Protection

There is No
War Clause in
our contracts!


CUNA MUTUAL INSURANCE SOCIETY
Madison, Wisconsin

TWINS ?



WHAT a relief—and how smart—to get all those nagging bills paid. It is good to know that a credit union loan, made to fit your needs, will do the trick.

Credit union officials will find the above helpful in preparing informational material about the services their credit unions offer their members. These may be used—either without change or adapted to special uses—in payroll inserts, fliers, blotters, posters, bulletins, advertisements, company house organs, or other appropriate mediums at hand.

The illustrations may be traced on mimeograph

EVEN "quins" are possible, you know. But you can welcome them, and mean it, IF you've been saving every pay day in your credit union. And don't forget, your credit union is always on hand to make any helpful loans.

PAID *-in full*



stencils, reproduced directly by a photo-offset process, or made into line-cuts for the standard letterpress printing.

Each release should, of course, also contain full directions as to when and where credit union service may be obtained. The name of the credit union, its location, its business hours, and any other helpful information should be given.

What About the Twenty Percent Withholding Tax?

By Tom Doig

Question. (From Ohio.) We have just received your Tax Bulletin No. 1 and note that statement is made that the new Withholding Tax is to be taken from part-time employees.

We have two part time employees who both receive income more than their total exemptions from other employers. From your bulletin it is our understanding, then, that we should deduct exactly 20% of their earnings. Is that correct?

Answer. Yes. That is our recommendation. It is permissible for an employee to charge all his exemptions against the salary received from each employer. In other words he may use these exemptions two or three times if he has that number of employers. However, we strongly advise against this practice inasmuch as it will simply add to his burden next March when it will be necessary to make an adjustment.

It is much better for the credit union to deduct the full 20% as stated in your letter. In such a case the employee would be much more likely to have accumulated sufficient credit by the end of the year and would not have to dig into his pocket then to make an adjustment.

You have a choice—you may deduct the full 20% or deduct nothing, as you see fit. We advise deducting the full 20%.

If the salary paid by the credit union exceeds all the exemptions of the employee then the credit union should deduct 20% of that portion of the salary in excess of the exemptions.

Credit Unions in the Press

Anthony Lehner, Educational Director of the Pennsylvania Farm Bureau tells in an article titled "Why a Credit Union?" which appeared in the July issue of *Pennsylvania Coop Review*, how a group of farmers in a Middle West county discovered that 154 of their number were paying not 12% but 42% for much needed loans of from \$50 to \$300 which were secured by chattels on their tools, equipment or livestock.

He further reveals that this group organized a credit union which today has assets in excess of \$75,000.

The 1943 yearbook of the Eastern Cooperative Wholesale, Inc. contains a page of statistics about coop credit unions in the states of Connecticut, Massachusetts, New Jersey, New York, Pennsylvania and the District of Columbia.

The Country Guide, a Canadian magazine, which goes to 180,000 farm families in the provinces of Canada, carried an article in its July issue by Tom Doig titled "4,000,000 Credit Union Members."

New Credit Unions in June

Twenty-eight new credit unions have been reported chartered in the United States and Canada during June. By states and provinces: Illinois 2; Louisiana 6; Michigan 1; Minnesota 1; Missouri 3; New York 1; North Carolina 1; Ohio 1; Pennsylvania 3; Texas 2; and Ontario 7.

Wisconsin Hires Monroe

Fabian C. Monroe has been appointed Managing Director of the Wisconsin Credit Union League.

Monroe's credit union experience began as Chairman of the Credit Committee of the Schuster Credit Union, located in Milwaukee, Wisconsin. He later became its President. During the past six years Monroe's interest in credit union work has steadily increased, to the detriment of his other outside interest.

He was born forty years ago in Hartford, Wisconsin. Prior to being employed by Schuster's, he was a salesman. For the past fourteen years he has been Service Supervisor for Schuster's Department Store.

The first month of his employment with the Wisconsin Credit Union League was spent in the League's office. In August he and John Colby, Cuna Field Secretary, will make an extended trip through Wisconsin for the purpose of contacting credit unions and chapters.

Monroe is married; his wife Marie, is also a credit union enthusiast which is almost an essential for a credit union field worker. They have an eight-year-old son.



Fabian C. Monroe

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Our Readers Write

"It Appears to Me . . ."

To the Editor:

It goes without saying I was quite surprised on opening my copy of *THE BRIDGE* to see our advertisement in print.

It appears to me that a page devoted to an exchange of advertising ideas would be quite worthwhile. We have had a number of favorable comments from members who have seen this article.

R. E. GOULD, Treasurer,
Des Moines Telco Credit Union

Balancing Books in Alberta

To the Editor:

Among the splendid articles appearing in the June issue of the *BRIDGE* is one entitled "Are Your Books in Balance." On page 128 it speaks of the task of keeping the Share and Loan Ledger in balance. Since we in Alberta feel we have evolved a very satisfactory way of tending to this chore I am urged to tell you of it.

The procedure is for the credit union to secure a trial balance book with twelve columns. These can be obtained very cheaply from our supply department as well as from any stationer. There are two methods of using the book:

1. A page is headed "Shares." The columns are then headed up—January, February, etc.; then the account numbers and the names of the members are written in in the explanation section of the book. After that the balance of each member's account is written in, and all totaled. This is done every month. If the total doesn't agree with the control, of course, the error must be found. The same is done for "Loans" and for "Interest" and "Deposits." The advantages of doing it this way are that the records are exceedingly helpful for computing the dividend share months at the end of the year, and for discovering what each member is entitled to in the way of an interest rebate, if such are made.

2. Four columns on one page are headed: Shares, Loans, Interest, and Deposits, and above these four is placed the name of the month. The names and numbers of the members are then written in as before, and the balances taken from the personal ledger. This is much handier to do if the combined share-loan-and-deposit type of ledger page is used. It is of course not so useful for computing the number of share months.

Whether the first or second methods are used, this means of making the check is most important. It gives the Supervisory Committee the means of making an absolute check. If errors have been made they can be found much more easily. No error is ever more than a month old. Though the figures may be added by mechanical means, no reliance is put on anyone else's tape. The balance is a permanent record.

"May I say that I was exceedingly interested in the June issue of *THE BRIDGE* which I read with great thoroughness."

C. D. DENNEY,
Supervisor of Credit Unions,
Alberta, Canada.

Compliments The Bridge

To The Editor:

The article appearing in the April issue of *THE BRIDGE*, "The Tenth Anniversary Approaches" reminded me that the Tenth Anniversary of St. Elizabeth Credit Union is now history.

On several occasions I wanted to compliment *THE BRIDGE* for some of the splendid items appearing in that magazine.

Recently in the March issue the article "Rationing Is Not Enough," by Donald Montgomery, is very fine reading for Credit Union officers and

members. It is easy to understand and contains a very fine lesson in social economics. Giving us an idea of how the other half of the world lives.

Then the article by Clinton S. Golden and Harold J. Ruttenberg, "Why Workers Join Unions," another superb lesson in the struggle for existence of the average person. Very well written.

Congratulations and good luck to these writers and to *THE BRIDGE*.

Coming back to the tenth anniversary. We had some pictures taken on this occasion, of the organizers and first officers of St. Elizabeth Credit Union.

I am enclosing a few of the pictures. You will also find a check to cover the cost of a Bridge Subscription to be sent to

Very truly yours,
EDW. G. WAGNER,
Milwaukee (12), Wis.

28 Subscriptions

To the Editor:

"Enclosed find our check for 25 renewal subscriptions to *THE BRIDGE* along with 3 new subscriptions. Our directors get a lot of valuable information from this magazine."

F-M Credit Union,
Beloit, Wisconsin.



TENTH ANNIVERSARY PICTURE. Charter members of the St. Elizabeth Credit Union, Milwaukee, Wisc., organized in February 1933, sit for a ten-year-after portrait. In front are Edw. G. Wagner, treasurer; Philip J. Pier, president; Paul P. Herbst, vice-president; Rudolph M. Freuler, secretary. Those standing are John M. Zach, John H. Berg, Albert Anderson, Math P. Stemper, Raymond J. Heil, and Joseph J. Hahn.

Coal-up NOW

NOW is the time to put in your winter's supply of coal, if you have not already done so. The authorities are unanimously agreed on that—unless you want to take the chance on going cold. With the acceleration of the war effort during the coming months, which appears very probable, and the increasing manpower shortage, it is bound to be increasingly difficult to get anything—including fuel—when you want it.



A word to the wise is sufficient.
A further reminder, however, may be helpful:

If your savings in your credit union are not enough—if you lack the ready cash—to pay for all the coal you need, your credit union is conveniently by, ready and glad to lend you the money, at low rates of interest. Come and get it!

Hickey Leaves F. D. I. C.

Ed Hickey has resigned as review examiner in the Federal Credit Union Section, F. D. I. C., to work with the U. S. Civil Service Commission. Mr. Hickey was best known to credit union people as chief, field and review, for the northeastern states, of the Section when it was a part of the Farm Credit Administration.

Mr. Hickey's new duties are broad. In general, he is to make procedural studies and investigations in various divisions and regional offices of the Civil Service Commission for the purpose of simplification of governmental procedures and the elimination of duplication in governmental agencies.

5,348!

5348 subscribers have asked us to continue sending them

The Bridge

until further notice, and to bill them for renewals at the proper time. They thus make sure that no issues are missed.

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Official Credit Union Forms and Supplies

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Anticipate your needs, order today from your state league if it handles forms or

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(Continued from page 171)

former. So rapidly did this course continue that we became greatly concerned, feeling that we were approaching the position of an investment trust. We were making substantial earnings and paying dividends considerably better than the interest rates of commercial and savings banks which only tended to stimulate the influx of new money.

Although this flow of funds to us was complimentary, indicating gratifying faith in the security of the credit union, it was most embarrassing to the credit union's management. Much as we disliked having to put a restrictive policy into effect, we were obliged to limit the amount of money which could be deposited in any one month. This was not done until we were approaching the million dollar mark in investments. We were firmly convinced of the soundness of deductions from pay for thrift and systematic savings and did not alter its provisions. Approximately 25 percent of our investment were in Governments and the rest were diversified as mentioned above, with a fairly high percent in the rails. Of course, most of the investments were made on advice of paid counsel, for we had purchased the services of well-known national instrument counsels. We also accepted free counsel from local investment houses.

Everything went well until the tide of the market began to turn in the latter part of 1938. It continued ebbing until the fall of 1942 when the tremendous production brought about by the war began to swing the market slowly upward.

As the tide ebbed, outside counsel could only offer conflicting advice and we dropped it, to go it on our own. This was in 1939 at which time we still had nearly a million dollars invested in the ratio of about 25 percent in Governments and 75 percent in Utilities, Industrials, Rails and a few National Bank stocks. The greater part was in Rails. Dispensing with professional counsel at this time when it would appear such counsel was more imperative than ever, might seem rather radical. We realized that we were assuming a job which would require our most careful attention.

An analysis of our entire holdings indicated the need for immediate adoption of corrective action. A definite policy must be formulated and adhered to.

The shrinkage between book value and market level, though considerable, was amply covered by our undivided earnings, bond profit reserves, and the guaranty fund, so that there was no occasion for alarm as to the soundness

of our financial standing. It was then that the little old Governments stood out in bold relief with practically no decline in market value and yielding their 2 to 3 percent earnings on the dot.

To make a long story short, the analysis showed that in nearly \$5,000,000 of trading in the ten year period, counting earnings, together with profits and losses on sales, that, had we invested in governments at 2 percent yield we would have been as well off, in fact, a little bit better

Investments FOR CREDIT UNIONS

off financially, without the headaches of uncertainty.

Needless to say, we adopted a policy which called for easing out the Utilities, Industrials, Rails and National bank stocks when the opportunity offered. We would confine our future investments to Government bonds exclusively.

WE have adhered to this policy for over three years and today we are about even with the board as far as market value goes and we have completely reversed our investment portfolio in the matter of governments to others, as it were, 18 percent in rails and 79 percent in governments with a total investment of over \$1,000,000. The Governments yield an overall average of 2.3 percent on earnings. For diversification they are distributed as to maturities as follows: 13 percent five years or less; 21 percent 6 to 10 years; 33 percent 11 to 15 years; and 33 percent 16 to 25 years. This includes a recent purchase of \$100,000 of the 2½% 26 year Second War Loan.

We have our maximum allowance of the series "F" and "G" bonds which, as you know, are twelve year issues guaranteed as to principle and interest, if held to maturity.

If you have surplus funds and desire to purchase Governments but have not been able to take advantage of the present issues of the Second War Loan, it is always possible to purchase the F's and G's, provided you are not holding the maximum allowance, which is \$100,000 of either or both combined in any one calendar year.

The series F is issued at 74 percent of their maturity value, whereas the G's are issued at par. No interest as such is paid on the F's but they increase in redemption value at the end of the first year and each successive

half year for twelve years until they mature. Their earnings at maturity is 2.53 percent per annum.

The Series G pay interest semi-annually at the rate of 2.5 percent per annum. Neither can be used as collateral but both may be redeemed after six months.

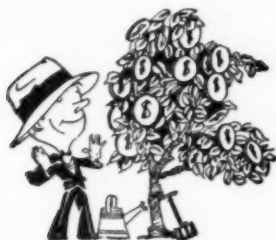
However, the series G depreciate from par value for about the first five years, discounting the interest paid during that time. Therefore, if there is any possibility of having to redeem them within five years of issue, it is well to set up a depreciation account crediting interest paid to this account rather than to current earnings for dividend purposes. Either might well be used for investment of the guaranty fund which is generally a pretty stable fund for long term and as such the bonds could be held to maturity.

Of the two, I am inclined to favor the F's. There are no current interest payments to set aside in a separate fund against bond depreciation and the yield at maturity is a trifle greater than the G's. For example, with \$7400 invested, in each it will be found that at the end of twelve years, the F's will yield about 26 dollars more than the G series. Probably in the fall the government will issue bonds similar to the recent Second War Loan, such as the 2 percent 9 year bonds and the 2½ percent 26 year bonds, non-registered if desired, bearing interest semi-annually, usable as collateral and readily marketable.

PERHAPS I have appeared to neglect other fields of investment open to the Federal credit unions, such as loans to other credit unions not exceeding 25 percent of the lending credit unions paid in and unimpaired capital and surplus and shares, or savings accounts in Federal savings and loan associations. While it is true that shares and savings to the amount of \$5000 are insured by the Federal Savings and Loan Insurance Corporation, an instrumentality of the Federal Government, I understand that a Federal savings and loan association is limited to investments in first mortgages on improved real estate, principally upon homes and, of course, government obligations. However, by purchasing shares in such associations, we are in reality, indirectly entering the real estate field without the privilege of passing on the merits of the property as we might on our own investments in real estate. I am skeptical of real estate investments at this time, looking toward the post-war period when present day values may be greatly depressed because of improved and better materials and more economical methods of building

which may come out of the war.

Dividends of savings and loans associations are dependent on earnings which may fluctuate as in any bank and may occasionally be such as to attract investors who would otherwise invest in the government's war financing at lower yield.



Inasmuch as shares of these associations are insured, there may be a tendency to take greater risks in real estate investments than would be taken by those not assured of government subsidy, and in the event of a real estate depression of existing properties after the war, a number of them may be forced to liquidate at a loss. Of course, protection is provided in such an event, but it involves considerable routine and delay. Once again I would favor government bonds over such investments.

Perhaps I have presented a very conservative picture of investments for credit unions, but because of the present emergency and the uncertainties of the period following the war, I lean strongly toward Government bonds for liquidity and security, but principally for liquidity to meet the demands which will come with the peace. I realize that this course may result in a lower yield and that our income during the war may decline to the point where we cannot maintain higher dividends than 3 percent or even less. However, this is but a temporary condition and should not cause undue concern. In fact, if we were able to pay more, I don't believe it would be a good policy to do so and thereby place ourselves in competition with the Government's war financing.

Although we have favored governments entirely for the past three years, we find today that such publications as the March-April issue of COOPERATIVE SAVING and the COOPERATIVE BANKER OF MASSACHUSETTS advocate the investment of surplus funds in Government Bonds.

In this connection it is interesting to note from the Massachusetts Bank Commissioner's Report for 1942 the strong leaning toward Government bonds in all banking institutions. The aggregate holdings of the 191 Massachusetts savings banks in Government securities was 38½ percent of their total assets as compared with 38½

percent in mortgages. The commercial departments of the 69 trust companies showed an increase of 70 percent in Government securities over the previous year, amounting to 37.8 percent of their total assets compared with a total of all securities amounting to 46 percent of total assets. In their savings departments 43 percent of all resources were in Government securities.

These unusually heavy holdings in Government obligations would seem to point, among other considerations, to a desire to put their business in as liquid a position as possible, consistent with reasonable earnings, in order that they may be in a flexible position financially to meet the expectancy of large scale demands in the postwar era.

It would appear the part of wisdom for us to swing with this vast tide.

What Price Inflation?

"A large section of the population is faced with actual disaster from the rising tide of inflation." This is the conclusion drawn from an analysis of 10,000 questionnaires showing how consumers in all parts of the country and at different income levels are meeting the rising cost of living. The analysis was made public by Miss Mary Ross, editor of Consumer Reports, at the recent Annual Conference on Consumer Problems, sponsored by Consumers Union of the United States.

More than 50 percent of the middle and upper income families answering the questionnaire reported increased income since the beginning of the war. The questionnaires from low-income groups, however, showed a smaller percentage with more money to spend.

"A majority of the questionnaires were received from families having incomes over \$2,000 a year," Miss Ross reported, "and the replies indicate that many of these families are having serious financial difficulties. But the returns from families with incomes under this level give striking evidence that a large section of the population is faced with actual disaster from the rising tide of inflation. Only 28% of the families now earning under \$1500 dollars a year reported increased income since the beginning of the war.

"In order to meet the skyrocketing prices of food and other necessities, 5% of the families below \$1500 dollars state that they are borrowing,

15% are drawing on savings, 35% are saving less than they did, 55% are buying less, 68% are cutting down on amusements, trips, etc., and 67% are buying more carefully than they did formerly. In most cases, the questionnaires indicate that a combination of several of these means of meeting higher costs are being used."

Following is the question asked and an over-all tabulation of the replies:

Since the beginning of the war, living costs on the average have risen about 25% and taxes have greatly increased. Have you been meeting these higher costs:

Through increased income? (50.4%)
By borrowing? (2.8%)
By drawing on savings? (11.4%)
By saving less than formerly? (42.2%)

By buying less food, clothing, etc. than before? (44.6%)

By cutting down on amusements, trips, etc.? (65.1%)

By buying more carefully and avoiding waste? (67.2%)

The percentage of families borrowing to make ends meet, Miss Ross stated, drops steadily as income increases.

Between \$3000 and \$5000, the percentage is about 2½%, and over \$10,000, it is 6/10ths of 1%.

"A considerable percentage in all groups state that they have cut their purchases," said Miss Ross. "The percentages range from 32% for those with incomes over \$10,000, to 63% for those with incomes between \$1000 and \$1500. The adverse effect of rising costs on savings is highest in the \$1500-\$2000 group, where 20% are drawing on savings and 50% are saving less than they did formerly. The only reason the figures are not higher for families earning less than \$1500 is that most of them have no savings to draw on or to cut down."

A high percentage in all groups say they are cutting down on amusements and trips, according to the analysis. The range is from 49% for the group over \$10,000 to 71% for the \$1500-\$2000 group. The \$1500-\$2000 group also showed the highest percentage who are buying more carefully than they did formerly. The figure for this income group is 71%, the percentages ranging down to 61% for the group over \$10,000.

The questionnaires are the first to be received from members of Consumers Union throughout the country, Miss Ross said. Answers to a question on occupation indicate that about half those replying are teachers, engineers and other professional people. About a quarter are employed in industry and transportation. About two percent are farmers.



Personnel Policy

(Continued from page 174)

university testing agencies to aid in the selection of clerical and other personnel. Any of these tests cover mathematical abilities, accuracy in typing, and personal qualities. Test material may be secured through the advice of high school vocational guidance teachers or from university psychology departments.

A good credit union employee must have the ability to meet people in a friendly manner, and must be the sort of a person who really likes people. They must always remember that they are dealing with other people's money and their job is one of service. As soon as they begin to get tired and crabby they are either in need of sleep or another kind of job. Credit union people often deal with folks worried by real difficulty and to do a good job they must possess patience and sympathetic understanding.

Accurate personnel records should be kept to show employees' progress and should carry the record of warning people when they do poor work. No one should ever be discharged without the records showing that he had been given opportunities to improve. This is fair to the employee and certainly will prove of great value in case of dispute over discharge or separation for sometimes these matters are brought into membership meetings resulting in battles that would embarrass a company of Commandos. Accurate records tend to still a wave of misunderstandings.

Responsibility does not cease with hiring, but proceeds to training and supervision. This in many Credit Unions is left to chance, and chance in itself is very uncertain.

Splendid training programs have been initiated by the War Manpower Commission and when possible, credit union employees should be given the opportunity to take these courses that are given in the manufacturing and other industrial plants throughout the country. Job Instructor Training, Job Methods Training, and Job Relations Training are three splendid training programs of proven value. The nearest office of the War Manpower Commission Training Division will give information as to when and how such training is available.

Lots of folks working in credit unions are married and it is a pretty difficult job keeping home relations on a satisfactory basis when the man and wife are both working. We as employers must be understanding and remember that these folks working for us may want to be home at the same time their husbands and wives

are home, and there are a lot of arrangements, such as meal times and home engagements that shouldn't be thoughtlessly upset.

Thinking of the people who work for us as human beings with all the problems that we ourselves have, will help and with a little thoughtful attention, we can make employment in credit unions and other voluntary organizations, pleasant and productive of fine work.

Chattanooga Chapter Picnics

Each family brought its basket filled with fried chicken and the usual Southern trimmings to the June 1943 meeting of the Chattanooga Chapter. It was a picnic meeting.

A rip-snorting softball game between the men and the women, umpired by Tennessee League Managing Director H. R. Hood, left everybody nursing sore muscles for a week. There were races for the kids, swimming for all, and lots of good old fashioned lemonade "on ice."

A credit union and American history quiz, with Professor W. P. Selcer, treasurer of the Chattanooga Hamilton County Teachers Federal Credit Union as Quizmaster, rounded off the day.

Guests included Martha Mohr, formerly of the Warner Gear Employees Federal Credit Union, Muncie, Ind., now a WAC at Fort Oglethorpe, Georgia, across the state line.

They Are Keeping Abreast

"Speaking of THE BRIDGE," says Virgil Cory on page 173, "copies of the magazine have been circulated throughout the world as a result of TWA's far-flung activity in credit union work. Copies have been relayed from one representative to another over distances that span the world. In that way the accredited representatives can keep abreast of the latest credit union activities in the United States."

Short Meeting Buys Bomber

Highlight of the ninth annual meeting of the Georgia Credit Union League was the presentation of checks amounting to \$1,110,986 for the purchase of war bonds in the campaign sponsored by the league to buy a bomber.

President Travis L. Storey presided over the abbreviated one-day session which was devoted to the study and discussion of credit union wartime problems. The bond campaign was conducted by James R. DeLay, league managing director.

Guest speakers included W. Clyde Roberts, F.D.I.C.; Earl Rentfro, Cuna; and W. C. Thompson, Georgia State Banking Department.

New league directors elected at the meeting were J. T. Mathis, of Atlanta, and C. E. G. Fisher, of Augusta.

New Associate Editor

Howard C. Custer, new associate editor of THE BRIDGE, comes from California by way of Washington, D.C., where he has been editor of the magazine COOPERATIVE SAVING WITH FEDERAL CREDIT UNIONS, publication of which has been suspended for the duration of the war.

He graduated from Stanford University in 1933, is married, has an eight year old daughter, and a three year old son.

He likes "the great outdoors," gardening, books, plays, cooperative social affairs, and listening to music.

He was active in the organization and direction of the cooperatives of Greenbelt, Maryland, "the planned community" close by Washington, and believes strongly that in cooperative enterprises like the credit union is to be found the answer to many of the problems besetting the world at this time. He believes that democratic control of our economic institutions is even more important than is democratic control of our political ones; that the latter is dependent upon the former. He believes that THE BRIDGE can give working men and women substantial help in organizing and operating democratically their own thrift and loan associations, and that it thus has an important part to play in making democracy effective in this country and in the world.



THE BRIDGE—August, 1943

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the **CREDIT UNION** *way*

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Through the Credit Union

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